

Message Text

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TAGS: BEXP, IT

SUBJECT: ALERT COMMODITY REPORTING: DIGITAL WATCHES OF U.S.
MANUFACTURE

REF 10 FAM 371, 1

1. RECENT DISCUSSIONS WITH INDUSTRY SOURCES AND ASSOCIATION
IN WATCH SECTOR INDICATE THAT SIGNIFICANT OPPORTUNITIES FOR
SALES OF DIGITAL WATCHES OF U.S. MANUFACTURE WILL EXIST IN
ITALY DURING NEXT SIX MONTHS. DIGITAL WATCHES WERE
UNKNOWN IN ITALIAN MARKET UNTIL EARLY IN 1976, AND FEW
MAKERS, EITHER U.S. OR FOREIGN COMPETITORS, ARE NOW ON SCENE.
POST FINDS REASONABLE TO EXPECT LARGE INFLUX OF MANUFACTURES
TO ENTER ITALIAN MARKET BY END 1976, AND MILAN TRADE CENTER
IS IN EXCELLENT POSITION TO PROMOTE HIGH U.S. SHARE OF
MARKET.

2. ASSOCIATION FORECASTS DIGITAL WATCH SHARE OF TOTAL
EUROPEAN WATCH CONSUMPTION TO JUMP FROM 10 PERCENT IN
1976 TO 50 PERCENT IN 1978 AS PRICE FALLS RAPIDLY.
ITALIAN CONSUMPTION OF WATCHES ESTIMATED IN 1975 AS \$90 MILLION.
EXAMPLES OF MODELS CURRENTLY ON ITALIAN MARKET ARE SWISS
MAKE (BULER) AT \$115 AND UP AND TEXAS INSTRUMENTS AT \$65
AND UP. SEVERAL SWISS AND GERMAN MAKES ARE IN \$150-
\$300 RANGE WHEREAS US PRICES NOW ARE AS LOW AS \$20.
MOST BRANDS USE LED SYSTEM BUT SOME HIGHER PRICED MODELS
USE LCD. US MANUFACTURERS WILL COMPETE MOST EFFECTIVELY
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IN LOWEST PRICED SECTOR OF MARKET (BELOW \$100).

3. MILAN TRADE CENTER PROPOSES PROMOTION OF DIGITAL
WATCHES AS PART OF DIRECT MAIL BETWEEN SHOW PROMOTION
TO BE HELD NOV. 9-12, 1976. TIE-IN FOR PROMOTION
WOULD BE POTENTIAL OF WATCH AS MAIL-ORDER ITEM. MTC
WOULD HANDLE ALL PROCUREMENT AND RPOMTOION. USDOC
REQUESTED TO PROVIDE MTC WITH NAMES AND ADDRESSES OF
PROSPECTIVE EXHIBITORS AMONG US MANUFACTURERS. MANUFACTURER
WILL INCLUDE BOTH TRADITIONAL WATCHMAKERS AND ELECTRONIC
COMPONENTS FIRMS.FINA

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